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Dick Rosengarten, Publisher

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WILSON NAMES STATE SEN. JOHN SEYMOUR TO HIS U.S. SENATE SEAT. REACTION IS VERY MIXED..

As might be expected with a very sensitive political appointment, reaction is mixed on Pete Wilson's naming of his longtime friend, GOP State Sen. John Seymour of Anaheim, to take his place in the U.S. Senate once Wilson resigns his D.C. job to become Calif.'s new governor...

...The GOP reaction breaks down along conservative/PRO-LIFE vs. moderate/PRO CHOICE lines. The PRO-CHOICE Republicans are generally pleased with Wilson's choice, while the PRO-LIFE folks are NOT happy campers. Seymour is PRO-CHOICE, but is a recent convert. He switched from his long-held PRO-LIFE stance in 1989, while in the formative stages of preparing to run for the GOP nomination for Lt. Governor. Conservatives were FURIOUS with Seymour's flip-flop and successfully targeted him in the primary. Will the conservative/PRO-LIFE wing of the GOP try the same thing in 1992? Some CALPEEK sources say absolutely, while other sources believe the PRO-LIFE conservatives will leave Seymour alone and concentrate on winning the Cranston seat...

...Was Seymour a surprise choice? Yes and no. Many sources think Seymour's name was always on Wilson's short list, but some insiders believe Wilson's choice had actually been narrowed to House members Jerry Lewis and Tom Campbell, but both had problems. So Wilson went with a trusted ally from the Marine Corps who fits the criteria Wilson announced during his race for governor --- a PRO-CHOICE, fiscal conservative, who is good on law & order and agrees with Wilson on Israel/foreign policy. While Seymour doesn't have a track record on foreign policy, CALPEEK sources in Sacto say he was a "good friend" to the Jewish Public Affrs. Committee of Calif. (J-PAC)...

...As for a 35th S.D. replacement for Seymour, the leading contender, if he goes for it, is Orange Co. Sup. Gaddi Vasquez. He'd be hard to beat. If he doesn't go, then look for Anaheim Mayor Fred Hunter or Costa Mesa Councilman Peter Buffa to consider the race. Stay tuned...

5th S.D. SPECIAL ELECTION SET FOR JAN. 8.

For an important special election, this one in the Central Valley communities of Stockton, Davis and West Sacramento is likely to attract only 15-17% of the voters in the 5th Senate District. For those of you who have forgotten, this election is to replace John Garamendi(D-Stockton). The leading contenders are Assemblyman Patrick Johnston (D-Stockton) and Phil Wallace, the San Joaquin Co. GOP chairman...

...With a current lineup of 25 Demos, 12 Republicans and 1 independent, the 5th S.D. is one of two vacant seats that Demo Senate Pres. David Roberti would love to win. The 5th S.D. presents Roberti with his best shot, because the district leans Demo in registration, 53% to 38%. And with Johnston, Roberti has a proven and popular vote getter. In an earlier primary, Johnston easily defeated Patty Garamendi, wife of John. It's rumored she will run for Johnston's assembly seat if he wins Jan. 8...

...But despite the obvious advantages enjoyed by Johnston, the Demos aren't taking anything for granted. Johnston campaign consultant Richie Ross has been using daily direct mail, TV, an AV program, numerous volunteers for an aggressive GOTV effort and even a potholder mailing to lure high propensity voters into supporting Johnston. Most sources think Johnston is a slight favorite to win...

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...As for Republican Wallace, he's been purposely low-keyed until very recently. Wallace's consultants, Sacto based Huckaby & Rodriguez, are using an AV program, direct mail and claim to have the volunteers for a good GOTV effort. With a very low voter turnout, some sources think Wallace has a shot to pull an upset...

...FYI: The CA Demo Party is supposedly supplying many of the volunteers for Johnston's GOTV effort. The big Demo effort is set for Jan. 5-6 in Stockton...

GOV. WILSON FACES STAGGERING FISCAL CRISIS.

Editor's note: CA Gov. Pete Wilson's first week in office won't be easy or pleasant. No sooner is he being sworn in as Calif.'s 36th governor than he must deliver a new 1991-92 budget; deal with the current 1990-91 budget, which is said to be nearly \$1 billion in the red; come to grips with a growing RECESSION in Calif.; and deal with the politics of FISCAL & TAX POLICY. Here is CALPEEK's report on what could happen in the next few weeks...

...Gov. Pete's problems are basically in 2 parts: SHORT and LONG term. In the short term, the new governor's immediate headache is to present and then defend a new 1991-92 budget that is impacted by today's economic climate. That includes a projected REVENUE SHORTFALL of \$6-7 BILLION, depending on whom you believe or trust...

...Fortunately during the campaign, Wilson never made a promise like President George Bush, thus the "T" word could be one option available to cope with this huge projected deficit. We'll know more on Jan. 10 when Wilson's new finance director, former CA Tres. Tom Hayes, gives the governor the new 1991-92 fiscal blueprint...

...But just about all CALPEEK sources agree that budget cuts alone won't work and would surely destroy already thin health & human service programs. Nevertheless, the budget axe will fall heavily on these and other programs, despite screams from scores of special interest groups. HOWEVER, also look for Wilson to take a new approach in dealing with health/human service issues. It will be a move away from crisis management to one of prevention. Wilson spelled this out during the 1990 campaign...

...In terms of taxes, CALPEEK sources think Hayes will give Wilson a budget that avoids either a general sales or income tax hike. Instead, CALPEEK sources think the new budget will put the emphasis on closing existing tax loopholes (there are many), expanding the sales tax on goods and SERVICES not covered before, and raising the State's low sales tax on alcohol. Remember, the liquor lobby persuaded voters to reject Props. 126 and 134, both of which would have raised the tax...

...As for hiking the top income tax rate back to 11% from its current 9.3%, that's not a very popular idea among some Demos and most Republicans...

...Assuming a combination of deep spending cuts and a varied tax package does close the deficit, Wilson really ISN'T out of the woods for very long. During the 1990 campaign, Wilson correctly noted that a major problem facing Calif. was that of locking spending levels into the State Constitution. Wilson was talking about Prop. 98, which mandates the State to spend 40% of the budget on EDUCATION. Wilson and others have noted that while this is a worthy objective, in reality it's tough to put a budget together with your hands tied. And it is not just education. There are a whole host of mandated programs which need to be reviewed. This falls under LONG TERM goals for the new administration...

...P.S. In addition to all the other fiscal problems, the State's 3rd Dist. Ct. of Appeals ruled that Calif.'s UNITARY TAX law was unconstitutional. That means Calif. may have to refund \$300-500 million to multinationals doing business in the State if the ruling stands. And remember: Wilson OPPOSED the unitary tax when in the U.S. Senate. Stay tuned...

INFORMATION YOU NEED TO KNOW ABOUT CALPEEK.

Here is some helpful information about CALPEEK that you may need to know. DEADLINES for editorial and Marketplace Network are 12 noon each Wednesday. CALPEEK is printed each Thursday morning and is usually folded, stuffed, metered and mailed just before 5 p.m. the same day. Need to reach CALPEEK by FAX? Our FAX phone is (213)657-4340. FYI: in accordance with AB 3047, CALPEEK does not make refunds on cancellations...

MANY CALIF. DEMOS WANT PROMISE FROM BROWN THAT CDP WON'T MAKE SAME MISTAKES IN 1992..

With two U.S. Senate seats up for grabs in 1992, along with 7 new U.S. House seats, influential Calif. Demos are very nervous, given what happened this past November 6th. So it's no wonder that in March, when the Calif. Demo Party meets for its annual convention in Oakland, that party regulars, as well as Democratic elected officials, will be seeking assurances from CDP Chairman Jerry Brown that there won't be a repeat of the disaster of the 1990 election...

...Although there was blame to go around, many sources think the key mistake in the November election was the lack of a solid CDP voter registration drive and virtually no party GOTV effort. Brown gets tagged with the blame, but he is pointing the finger at others and saying lack of MONEY was the major problem...

...Enter Demo fundraiser/developer Phil Angelides of Sacto, who over the last few years has raised millions for candidates such as Michael Dukakis & Dianne Feinstein. In mid December Angelides asked a group of about 40 Demos to meet him in L.A. to discuss future funding for CDP registration & GOTV programs. Angelides says the CDP must have \$6-7 million for such programs in 1992 and wants the CDP to do two things: 1) set up a special GOTV/voter registration contribution account; and 2) begin impounding 80% of the CDP's telemarketing funds for 1992 GOTV and registration programs...

...Those who are loyal to Jerry Brown see the Angelides plan as nothing more than an attempt to dump Brown as CDP chair, knowing Brown may continue to use the telemarketing funds for party OVERHEAD, as well as for registration/GOTV programs. It's the high overhead costs and lack of a solid business plan which has Angelides and his allies seeing red. But Angelides insists he's not after Brown, but only wants assurances that the CDP will develop a plan for the 1992 election before the March CDP convention so delegate can see what's going to happen in 20 months...

...While Angelides and his forces pursue their objectives, CDP No. Calif. Vice Chair Cathy Calfo, CDP So. Calif. Vice Chair Chuck Fuentes, CDP Controller Mitch Fine and CDP Secretary Forscee Hogan-Rowles met with Brown prior to the Angelides gathering

to propose a 50% impound of CDP telemarketing funds. Sources say Brown wasn't thrilled with this alternative either. In case you're curious, the monthly take in telemarketing funds is around \$100,000...

...FYI: Cathy Calfo has submitted her resignation as CDP No. Calif. Vice Chair, citing occupational demands of her current job. Demos will have to pick a WOMAN from No. Calif. as a replacement. Some Demos are already backing S.F. Co. Sup. Angela Alioto. Stay tuned...

WHO'S WHO ON GOV. PETE WILSON'S NEW STAFF.

Editor's note: Trying to figure out who's who in the new administration of Gov. Pete Wilson? Here's a brief rundown on some of the initial appointments to the governor's staff. It doesn't include cabinet members, who are still being selected:

Bob White - Chief of Staff
Marty Wilson - Deputy COS
David Caffrey - Dep. COS/Admin.
Margaret Reid - Scheduling Secretary
Fred Beteta - Director of Advance

Otto Bos - Dir. of Communications & PA
Dan Schnur - Dep. Dir. of Comm. & PA
Mark Davis - Dir. of Writing & Research
Bill Livingstone - Press Secretary
James Lee - Deputy Press Secretary
Franz Wisner - Asst. Press Secretary

Loren Kaye - Cabinet Secretary
Sal Vazquez - Dir. of Community Relations
Bella Meese - Dep. Dir. Comm. Rel.
Janis Rogers Brown - Legal Affrs. Sec.
Allan Zaremborg - Legisl. Affrs. Sec.
Maureen Higgins - Dep. Legisl. Affr. Sec.
Terrance Flanigan - Appointments Sec.
Chuck Poochigian - Chief Dep. Appt. Sec.

...If you're wondering what happened to Wilson political consultant George Gorton, he's moving to Sacto, where he will be an outside consultant to Gov. Wilson on political matters, such as reapportionment...

SAN DIEGO A SURE BET FOR 1992 GOP CONFAB.

GOP insiders say that the City of San Diego is a SURE BET to win the 1992 Republican Nat'l Convention. The RNC site selection committee is due to make known its choice on Jan. 11, with the RNC due to confirm that choice on Jan. 25...

RIVALS JOCKEY TO REPLACE LINDSAY & FARRELL.

With the Dec. 28 death of veteran L.A. Councilman Gilbert Lindsay and the announcement Jan. 2 by Robert Farrell that he won't seek reelection in the April 9 L.A. municipal primary, a mad scramble for position is now taking place in the 8th and 9th districts by rival Black candidates hoping to succeed these two longtime councilmembers...

...At least 3 very serious candidates are now attempting to lock up support for what promises to be an interesting council race for Lindsay's 9th District. The rivals include Lindsay's longtime aide, Bob Gay; Brad Pye Jr., an aide to L.A. Co. Sup. Kenneth Hahn; and SEIU labor official Woody Fleming. The city council has set a special to coincide with the regular Apr. 9 muni primary. Lindsay was reelected in 1989, so there are two years remaining on his term. Historically, the 90-year-old Lindsay was L.A.'s first Black councilman. He had been in very poor health for some time...

...In Farrell's 8th District, there are 4 candidates looking over the race. Filing for all council seats begins Jan. 9. The 4 include PA exec. Rod Wright, who used to work for Maxine Waters; SCLC West Coast chief Mark Ridley-Thomas; attorney Billy Mills Jr., son of Judge Mills, who used to be the 8th District councilman; and Kerman Maddox, a political consultant who used to work for Mayor Bradley at City Hall. Both Mills and Maddox have been organizing for months in anticipation of a run against the often controversial Farrell. Stay tuned...

L.A. CURRENT AFFAIRS FORUMS SETS FERRARO.

L.A. City Council Pres. John Ferraro will present an informal "State of the City" discussion to members and guests of L.A. Current Affairs Forum, 11:30 a.m. reception, 12 noon lunch, Jan. 28, University Club, L.A. The reception is hosted by So. Calif. Gas Co. For info, call Emma Schafer at (213)485-8862. Cost is \$32.50 by Jan. 23, or \$40 at the door...

EPA's REILLY TO ADDRESS COMMONWEALTH CLUB.

EPA Admin. William Reilly will address the member of the Commonwealth Club of CA at 11:45 a.m., Jan. 9, Grand Ballroom, Hilton Hotel, S.F. For info, (415)597-6705...

L.A. SUPERVISOR CANDIDATE FORUM JAN. 16.

Women In Public Affairs(WIPA) will sponsor a candidate's forum and lunch for the top four major contenders in L.A. Co.'s 1st District special election --- Sarah Flores, Gloria Molina, Art Torres and Charles Calderon, 11:30 a.m. reception, 12 noon lunch, Jan. 16, Tower Restaurant, L.A. Reservations required. For info contact Ann Evanilla at (213)483-1581, ext. 371...

HARVARD ALUMNI HOST TRANSP. POLICY CONFAB.

L.A.'s leading experts on regional transportation and planning issues will discuss "Los Angeles In the Next Decade," 6-8 p.m., Jan. 10, L.A. Times Building, 5th Floor, Harry Chandler Auditorium. The symposium is sponsored by the So. Calif. alumni of the John F. Kennedy School of Govt. at Harvard University. For info, contact Shari Davis at (213)624-1030...

NEW JOBS, ADDRESSES AND PERSONNEL NOTES.

Editor's note: Here are some items to mark down in your notebook:

- L.A. Councilman Mike Woo's COS, Gary Townsend, departs for a similar job with new L.A. County Assessor Kenneth Hahn...
- L.A. Co. Sheriff Sherman Block was set for surgery Jan. 7 at USC-County Hospital for prostate cancer. The 66-year-old Block says he's planning on returning to work in about 6 weeks...
- Jami Warner, former lobbyist with Unocal and CA State Univ., joins the Sacto office of Stoorza, Ziegaus & Metzger as an AE...
- Although it's old news for L.A. folks, former Assemblyman/L.A. Deputy Mayor Mike Gage has been hired as a TV reporter and commentator by KNBC-TV in L.A. Gage was not what you'd call real diplomatic when dealing with the news media while working for Mayor Tom. Gage also plans to keep his commission post on the LADWP, which many think presents a conflict. Question: Is KNBC-TV's ace political reporter Linda Douglass thrilled by Gage's new line of work??? CALPEEK sources say NO...
- Political/campaign journeyman Tom Epstein joins Insurance Comm. John Garamendi as COS...